

Exhibit E



CONTRACT OF EMPLOYMENT

COFLEXIP STENA OFFSHORE LIMITED

(hereinafter referred to as "The Company")

**Statement of Terms of Employment Pursuant to Employment Protection
(Consolidation) Act 1978**

Employee's Name: ROLAND DALY

Particulars of terms of your employment pursuant to section 5 of the Employment Protection (Consolidation) Act 1978 as amended.

PARTICULARS

1. General

This agreement sets out, in accordance with the provisions of the Employment Protection (Consolidation) Act 1978 the terms and conditions under which you are employed by Coflexip Stena Offshore Limited.

2. Terms of Engagement

This document together with the Company's Employment Guide which guide accompanies this Contract governs all aspects of the employee's employment with the Company. The Employment Guide is held to be part of the employee's terms and conditions of employment and should be read in conjunction with the Contract.

3. Commencement

Your employment began on the date specified in paragraph 1 of the Schedule to this agreement.

4. Position

The position for which you are engaged is set out in paragraph 3 of the Schedule but the Company may, at its discretion, require you to undertake other duties, which, in the Company's opinion, you are capable of discharging.



5. Location

The location at which you are required to perform your duties under this Agreement is set out in paragraph 4 of the Schedule, however you are liable to serve at such other place of employment in the United Kingdom or abroad as the Company may from time to time require. In the event that the employee is required to work outside the United Kingdom for a period in excess of one month the terms and conditions governing the period for which the employee must so work, the currency in which the employee will be paid, any additional payment and the terms and conditions relating to his return will be agreed with the employee prior to his departure.

6. Remuneration

Your salary is set out in paragraph 5 of the Schedule and is payable monthly in arrears. Such salary shall be reviewed on any change of appointment and in any event at least once each calendar year. Any increase shall be in the absolute discretion of Cofflexip Steria Offshore Limited and shall be notified to you in writing.

7. Hours of Work

Your normal working period will be Monday - Friday and consist of 37½ hours. You will be expected to work however such additional hours as may be deemed necessary for which your entitlement is set out in paragraph 6 of the Schedule.

8. Benefits

In addition to the salary referred to in paragraph 5 you are entitled to be paid or to receive such allowances and benefits, and such reimbursement of expenses as specified in paragraph 7 of the Schedule and as may be provided for in the Employment Guide.

9. Holidays

The employee is entitled to holidays as specified in paragraph 8 of the schedule. The employee's holidays on joining the Company accrue at the rate of 2.1 days per completed calendar month which figure will be used to calculate the employee's entitlement to holidays on the employee's departure from the Company. The employee should make reference to the Employment Guide for further information with regard to the employee's holiday entitlement and the Company's administrative requirements in relation thereto.



10. Rights and Obligations in respect of Sick Pay

The employee is required to have regard to Section 1 of the Employment Guide.

11. Notice

The length of notice which the Company is obliged to give you is as determined by section 49 of the Employment Protection (Consolidation) Act (as amended). The length of notice which the employee is required to give the Company is contained within paragraph 9 of the schedule.

12. Disciplinary Rules and Grievance Procedure

In the event that you wish to seek redress of any grievance relating to your employment hereunder you should apply to your immediate supervisor. The procedure which will govern such application is set out in the Employment Guide. The disciplinary rules and procedures applicable to your employment shall be those set out in the relevant Employment Guide.

13. Pension

You are, subject to the rules of the scheme, entitled to join the Coflexip Stena Offshore Limited Pension Scheme on becoming a member shall authorise the Company to deduct contributions payable by you to the Scheme from payments of salary.

14. Other Work

You shall devote the whole of your time during the normal business hours of the Company (or during such other hours as may be agreed from time to time) conscientiously to the affairs of the Company and shall not engage in any trade, business or profession, or take any employment other than that provided for hereunder, without the prior consent of the Company which consent shall not be unreasonably withheld or withdrawn except where, in the opinion of the Company such other activity interferes with the efficient discharge of your duties hereunder.

15. Confidentiality

You shall not at any time during your employment hereunder and for a reasonable time thereafter disclose any trade secret, manufacturing process, knowledge or information in connection with the affairs of the Company or any other matter or thing which may come to your knowledge in the course of your duties to any person, firm or company other than the proper employees of Coflexip Stena Offshore Limited entitled to receive such information.



16. Variations

The terms and conditions of this agreement may be amended from time to time by agreement between Coflexip Stena Offshore Limited and the employee. On or after the effective date of such amendments, this agreement shall be read and construed subject to the said amendments.

The Schedule - see attached overleaf.



SERVICE AGREEMENT

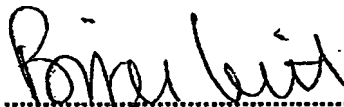
THE SCHEDULE

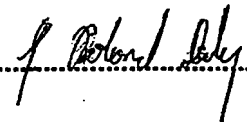
Employee's Name: **ROLAND DALY**

1. **Date of commencement of employment:** 28 July 1997
2. **Date of commencement of continuous employment for statutory purposes:** 28 July 1997
3. **Current appointment:** Graduate Engineer
4. **Location:** Aberdeen
5. **Current Salary:** £16,000
6. **Additional Hours:** N/A
7. **Benefits:** Standard CSOL Package
8. **Holiday Entitlement:** 25 Days
9. **Period of Notice:** 1 month - this will be reciprocated by the Company
(During any probationary period the appropriate statutory period of notice will apply)
10. **Effective Date:** 28 July 1997

Signed for and on behalf of
Coflexip Stena Offshore Ltd.

Signed by the said


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Brian Leith
General Manager - Operations


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